

STATE OF WASHINGTON
**OFFICE OF
INSURANCE COMMISSIONER**
**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

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Disclosure Officer, Steve Carlsberg, 360-586-0691, or by e-mail: stevec@oic.wa.gov.

In the Matter of)	No. D 00 - 68
NCM Americas Insurance Co.,)	Consent Order Imposing a Fine
An Authorized Insurer)	

FINDINGS OF FACT:

1. NCM Americas Insurance Co.(hereinafter "NCM" was authorized to write casualty insurance in Washington state, under the name "Maryland Netherlands Credit Insurance Co."
2. Maryland Netherlands was, and NCM is, subject to Washington Administrative Code (WAC) 284-07-010, which requires each such insurer to complete a special liability report and to submit it to the Insurance Commissioner not later than May 1 of the year following the year which is the subject of the report..
3. In December of 1999, the Office of the Insurance Commissioner (OIC) sent forms for this report, together with instructions for filling them out and filing them with the OIC, to those authorized insurers who were required to file special liability reports, including Maryland Netherlands. These instructions included the statement in bold type, "Even if a company has no data to report, it still must submit the required form."
4. The OIC did not receive a special liability report for 1999 for Maryland Netherlands by May 1, 2000. On May 10, 2000, the OIC sent a letter to those carriers who were required to file the report, but which had not yet done so. This letter was sent to Maryland Netherlands on May 10, 2000. The letter warned that if the OIC had not received the report by June 1, 2000, the insurer would be liable to a fine of at least \$2500. There was no response to this letter. The OIC did not

receive its special liability report until June 5, 2000. On June 14, a staff attorney employed by the OIC sent the insurer a letter, notifying the insurer that it would be subject to a consent order imposing a fine. The letter also requested that the insurer provide the name, job title, business address and telephone number of the person there, to whom the consent order should be sent. This was an official information request pursuant to WAC 284-30-650, "Prompt responses required", which provides that "It is an unfair practice for an insurer...to fail to respond promptly to any inquiry from the insurance commissioner relative to the business of insurance. A lack of response within fifteen business days from receipt of an inquiry will be considered untimely. A response must be in writing, unless otherwise indicated in the inquiry."

CONCLUSIONS OF LAW:

1. The failure of the insurer to file its 1999 special liability report with the Insurance Commissioner by May 1, 2000 was a violation of RCW 48.05.380 "Reports by property and casualty insurers-Rules", RCW 48.05.390, "Reports by various insurers- Contents" and of WAC 284-07-010, "Special liability insurance report required annually".
2. The failure of the insurer to respond timely and in writing to the June 14, 2000 letter to it from the OIC staff attorney was a violation of WAC 284-30-650.
3. RCW 48.05.140, "Certificate of authority- Discretionary refusal, revocation, suspension" provides in subsection (1) that the Insurance Commissioner is authorized to refuse, suspend to revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for which refusal, suspension or revocation is mandatory."
4. RCW 48.30.010(2) provides that in addition to such unfair practices as are defined in chapter 48.30 RCW, "...the commissioner may from time to time by regulation...define other methods of competition and other acts and practices in the conduct of such business reasonably found by the commissioner to be unfair and deceptive..." This includes WAC 284-30-650.
5. RCW 48.05 .185, "Fine in addition to or in lieu of suspension, revocation or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

CONSENT TO ORDER:

- 1.NCM Americas Insurance Company hereby stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of \$2500 (two thousand five hundred and no/100) upon the insurer for the violations described above, in lieu of further proceedings against the insurer's certificate of authority in Washington state. This fine will be paid in full within thirty days of the date when this order is entered in Lacey, Washington. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority in Washington state. It will also result in a civil action brought on behalf of the Insurance Commissioner, pursuant to RCW 48. 05.185, to recover the amount of the fine.
- 2.Maryland Netherlands Credit Insurance Company expressly stipulates to obey all insurance laws and regulations of Washington state in the future, including but not limited to WAC 284-07-010(1), RCW 48.05.390, and WAC 284-30-650.

EXECUTED this _____ day of _____, 2000.

Typed Name_____

Typed Corporate Title_____

NCM Americas Insurance Company.

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$2500 (two thousand five hundred dollars and no/100) upon NCM Americas Insurance Co, expressly in lieu of proceedings against the certificate of authority it holds in Washington state. The fine is to be paid in full within thirty days of the date when this order is entered in Lacey, Washington. Failure to pay this fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority. It will also result in a civil action brought by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine .

ENTERED AT LACEY, WASHINGTON, on this _____ day o f _____,
2000.

DEBORAH SENN

Insurance Commissioner

William Kay Kirby

Assistant Deputy Insurance

Commissioner, Legal Affairs

Division